P-421, 414/CP-93-11 ORDER ADOPTING RATES FOR POLLING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don StormChairTom BurtonCommissionerMarshall JohnsonCommissionerCynthia A. KitlinskiCommissionerDee KnaakCommissioner

In the Matter of a Petition for Extended Area Service from St. Peter to Mankato and North Mankato ISSUE DATE: November 1, 1994

DOCKET NO. P-421, 414/CP-93-11

ORDER ADOPTING RATES FOR POLLING

PROCEDURAL HISTORY

On January 11, 1993, customers in the St. Peter exchange filed a petition requesting extended area service from St. Peter to the Mankato exchange. St. Peter is served by U S West Communications, Inc. (USWC). The Mankato exchange (an area covering the municipalities of Mankato and North Mankato) is served by Mankato Citizens Telephone Company (Mankato).

On July 23, 1993, the Commission issued its ORDER REQUIRING COST STUDIES AND PROPOSED RATES.

On October 15, 1993, the Commission issued its ORDER EXTENDING TIME LINES. The order was issued to allow resolution to a technical dispute between USWC and Mankato.

On November 16, 1993, Mankato filed cost studies and proposed rates.

On December 2, 1993, USWC filed cost studies and proposed rates.

On January 24, 1994, the Minnesota Department of Public Service (the Department) filed comments regarding the filings.

On January 31, 1994, Mankato filed responses to the Department's report.

Also on January 31, 1994, the Minnesota Telephone Association (MTA) filed comments regarding the appropriate stimulation factor.

On April 13, 1994, the Commission issued its ORDER REQUIRING FILINGS. The Commission required the affected telephone companies to reduce the stimulation factor from 5 to 3.

On May 17, 1994, Mankato and USWC filed revised cost studies and proposed rates. Mankato revised its filing of May 23, 1994.

On June 16, 1994, the Department filed its report.

On October 25, 1994, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

I. Statutory Requirements

Minn. Stat. § 237.161 (1992) requires the installation of an EAS route when three criteria are met:

- 1. Adjacency: the petitioning exchange must be contiguous or adjacent to an exchange or local calling area to which EAS is requested in the petition.
- 2. Adequate Traffic: at least 50 percent of the customers in the petitioning exchange must make one or more calls per month to the exchange or local calling area to which EAS is requested, as determined by a traffic study.
- 3. Adequate Subscriber Support: polling by the Commission must show that a majority of the customers responding to a poll in the petitioning exchange favor its installation, unless all parties and the Commission agree that no polling is necessary.

In this matter the Commission has previously found the first two criteria: adjacency and adequate traffic. On July 23, 1993, the Commission issued its ORDER REQUIRING COST STUDIES AND PROPOSED RATES. This Order, then will address the adequacy of the filed cost studies and determine appropriate rates for subscribers in the petitioning exchange (St. Peter) and the petitioned exchange (Mankato/North Mankato).

II. Rates

The Commission has reviewed the cost studies and rates proposed by the companies. The Commission finds that the studies support the proposed rates and will adopt the set of rates that apportions 75 percent of the EAS costs to St. Peter, the petitioning exchange. This level of apportionment is consistent with Commission precedent and is supported by Mankato and the Department. The rates will be as set forth in Ordering Paragraph 1 and 2.

ORDER

1. The Commission hereby adopts the following rates for St Peter customers. These rates shall appear on the ballots distributed to all St. Peter customers.

| 1FR | \$ 3.17 |
|----------|------------|
| 2FR | 2.45 |
| 1FB | 7.90 |
| Trunk | 8.31 |
| Semi Pub | 7.90 |

2. If the ballot of St. Peter customers is affirmative, the rates applicable in the Mankato exchange shall be as follows:

| Res. 1 party | \$ 0.19 |
|------------------|------------|
| Bus. 1 party | 0.32 |
| Bus. PBX and Key | 0.73 |
| State Centrex | 0.40 |
| Semi Pub | 0.56 |
| Customer pay | 1.99 |
| Multi Line Acc | 0.35 |
| Special Sig. Tr. | 1.09 |
| | |

- 3. U S West Communications, Inc. (USWC) shall cooperate fully with Commission Staff and Commission contractors to expedite the polling of St. Peter customers. As part of this cooperation, USWC shall provide, upon request and in a timely manner, accurate customer lists for the St. Peter exchange and associated information to Commission Staff and Commission contractors.
- 4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar Executive Secretary

(SEAL)